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Leza L Olson 10/30/2006 01:08:44 PM From DB/Inbox: Leza L Olson

Cable Text:

TEL AVIV 04306 UNCLAS

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RUEHLB/AMEMBASSY BEIRUT PRIORITY 1095

RUEHEG/AMEMBASSY CAIRO PRIORITY 8757

RUEHDM/AMEMBASSY DAMASCUS PRIORITY 1819

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RUEHRH/AMEMBASSY RIYADH PRIORITY 8113

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JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

E.O. 12958: N/A TAGS: <u>IS KMDR</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

¶1. Mideast

12. US Israeli Relations

Key stories in the media:

Leading media reported that the police will begin an initial examination to determine whether to open a criminal investigation against Prime Minister Ehud Olmert on his role in the sale of the controlling interest in Bank Leumi.

All media reported that Labor Party central committee has voted in favor of remaining in the coalition despite the joining of Avigdor Lieberman's Israel Beitenu party.

All media reported that the cabinet and the Knesset will vote today on the appointment of MK Avigdor Lieberman (Yisrael Beiteinu) as minister dealing with strategic threats and a deputy prime minister.

All media quoted that President Moshe Katzav's attorney Zion Amir as saying that the president does not intend to resign before a final decision is reached by Attorney General Menachem Mazuz on whether to indict him.

All media reported that the 2007 budget proposal and Economic Arrangements Law will be submitted to the Knesset by Finance Minister Avraham Hirshzon on Monday. The budget proposals sum to 300 billion shekels.

Ha'aretz cited a senior spokesman for Egyptian President Hosni Mubarak as announcing that Meshal would arrive in Egypt for talks with senior officials, but did not specify when that would take place. The paper noted that the announcement is considered to be unusual.

The Jerusalem Post reported that following media reports on Saturday that the Egyptians are reinforcing their troops on Gaza border (following a report that Israel intends to use cluster bombs to bomb smuggling tunnels), Defense Minister Amir Peretz said on Sunday that Egypt has only 750 border policemen and that it is reinforcing its forces.

The Jerusalem Post reported that the Foreign Ministry is unhappy about steps taken by the UN Secretary General Kofi Annan to open a new Vienna-based office to register claims by Palestinians who have been harmed by the Israeli construction of its security fence.

Maariv cited a report conducted by the Boeing Company that investigated the crash of the Apache Longbow on July 24, 2006 in the northern Israel that determined that the Apache crashed due to overuse and bad weather conditions.

Leading media reported that a major terror attack was thwarted after the police arrested four Palestinians and one Israeli-Arab suspects and discovered a car carrying explosives.

Maariv reported that in a year all IDF tanks will be equipped with the modern protection system known as TROPHY, supposed to be able to withstand advanced anti-tank missiles of the types used by Hizbullah.

1. Mideast:

Summary:

Palestinian affairs correspondent Danny Rubinstein wrote in independent, left-leaning Ha'aretz: "The government of Israel can and must help the Palestinian economy.... this will not only make things better for Gaza, but also for Israel, because this is the only way to destroy the terror infrastructure."

Liberal columnist Akiva Eldar wrote in independent, left-leaning Ha'aretz: "The silence of the leadership of mainstream Jewry in the world, in view of the legitimization of a person such as Lieberman, undermines the moral high ground they hold in the struggle against Israel-haters throughout the world. If a Jewish politician who aspires to transfer an Arab minority across the border can sit in an Israeli cabinet, why should an anti-Semite not sit in an Austrian government? Let's hear it for the Haiders."

Op-ed writer Yael Paz Melamed wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot: "Even if Israel's leaders will continue to dodge their responsibility, and even if minister Peretz continues to allow the use of shock grenades and rubber bullets against demonstrators, the truth cannot stay unrevealed -- the route of the political-arbitrary fence is consecutive with land robbery and expropriate human rights violation of Palestinian residents."

Block Quotes:

I. "The way to eliminate terror"

Palestinian affairs correspondent Danny Rubinstein wrote in independent, left-leaning Ha'aretz (10/30): "The power struggle between Fatah and Hamas will not be quietened by this or that agreement, but rather only if they go along with a radical change in the economic and social reality in Gaza — a matter in which Israel plays a key function. First of all, Israel's government has to return the money to the PA that Israel owes it... The government of Israel can and must help the Palestinian economy by renewal of subcontracting work to Israeli factories in Gaza ... That should be in addition to the export of agricultural products from Gaza, which has provided hundreds of thousands of jobs. Now everything is paralyzed because of the blockage of the border crossings, a problem to which a solution can also be found — for example, passage by way of Egypt to the Nitzana terminal. After all, there are no weapons tunnels there. In addition, infrastructure projects should be started up again in Gaza involving the port and the utilization of natural gas on the coast. More Palestinian laborers should be allowed into Israel and industrial zones should be established. All this will not only make things better for Gaza, but also for Israel, because this is the only way to destroy the terror infrastructure."

II. "Let's Hear it for Haider"

Liberal columnist Akiva Eldar wrote in independent, left-leaning Ha'aretz (10/30): "The prevalent comparison between Avigdor Lieberman and Joerg Haider does an injustice to the Austrian nationalist whose party joined the government in the winter of 2000. Haider is far from being a righteous man, but even in his most fascist days, he never called on Austria to rid itself of citizens who'd been living in the country for generations. Also, Haider never suggested standing up legislators representing these citizens in front of a firing squad... With the entry of his party into the coalition, Haider signed a declaration promising to abide by the European principles of democracy and human rights, and to protect the rights of minorities. Prior to that, he apologized to the Jewish people for his statements that downplayed the Nazi horrors. What about Lieberman, then? Has he accepted the article in the government's basic guidelines that includes the commitment to 'respect the civil rights of minorities and not accept any expression of racism in the country'? The growth of extremist parties on the right in Europe is worrying to Israel, and justifiably so.... The silence of the leadership of mainstream Jewry

in the world, in view of the legitimization of a person such as Lieberman, undermines the moral high ground they hold in the struggle against Israel-haters throughout the world. If a Jewish politician who aspires to transfer an Arab minority across the border can sit in an Israeli cabinet, why should an anti-Semite not sit in an Austrian government? Let's hear it for the Haiders."

III. "No Inner Responsibility"

Op-ed writer Yael Paz Melamed wrote in the lead editorial of mass-circulation, pluralist Yediot Aharonot (10/30): "Even if Israel's leaders will continue to dodge their responsibility, and even if minister Peretz continues to allow the use of shock grenades and rubber bullets against demonstrators, the truth cannot stay unrevealed -- the route of the political-arbitrary fence is consecutive with land robbery and expropriate human rights violation of Palestinian residents. Even it avoids money compensation; Israel shall pay dearly for these acts... With the lack of inner responsibility, the UN has no choice but to establish a 'situation room' that gathers all the harsh facts and urges us to confront our accountability."

12. US Israeli Relations:

Summary:

Independent, left-leaning Ha'aretz editorialized: "Bush, a constant friend, could see Israeli response to Syrian courtship as undermining his battle in Iran, which threatens Israeli existence. Tactically, it is better for the Israeli administration to be attentive to U.S. desires. Strategically, it is critical to continue striving for peace. However, a government with political wisdom -- and yes, with an agenda of peace -- would strive to resolve this conflict, through constant and intensive dialogue with the U.S."

Block Quotes:

"Strive for Peace

Independent, left-leaning Ha'aretz editorialized (10/29): "In Bush's eyes, there are two key priorities in the Middle East: transferring security in Iraq to a local government, so the American military can leave; and preparing for a conflict with an Iran on the verge of nuclear arms, if political means fail. All other issues, such as the Israeli-Palestinian peace process, the Lebanese arena and the possible resumption of Jerusalem-Damascus talks, are seen only from the angle of whether they serve the key goals in Iraq and Iran. In this context, the U.S. labels Syria among the bad guys and seeks to preclude its propaganda achievements, such as Assad looking like a proponent of peace. Israel, which needs American support in every arena and particularly against Iran, is subjected to a role reversal: The pressure to become more moderate has become pressure to become tougher. Bush, a constant friend, could see Israeli response to Syrian courtship as undermining his battle in Iran, which threatens Israeli existence. Tactically, it is better for the Israeli administration to be attentive to U.S. desires. Strategically, it is critical to continue striving for peace. However, a government with political wisdom -- and yes, with an agenda of peace -- would strive to resolve this conflict, through constant and intensive dialogue with the U.S.... Israel must not be seen as refusing peace. It makes sense to respond in a positive tone to Assad's peace signals while putting out quiet feelers through indirect channels from Turkey to Saudi Arabia, to determine his intent. Israel must take U.S. military and political considerations and Washington's requirements of Syria, into consideration in any fruitful process that develops between Jerusalem and Damascus.' **JONES**